



CASE STUDY

BOND TRADING AT A GLOBAL INVESTMENT BANK

The investment banking arm of a global bank had built its own FX single-dealer platform, then needed to deliver Rates trading.

It used Caplin Trader to implement the solution.

CLIENT

Our client is the investment banking arm of a global bank. It already had a well-established FX single-dealer platform which it had built in-house.

PROBLEM

The bank wanted to extend its online franchise to include Fixed Income (FI). Initially the team running the FX single-dealer platform planned to incorporate FI into the existing offering.

But as the project progressed it became clear that the existing single-dealer platform, while highly successful for FX, would need completely redesigning and rebuilding in order to handle the additional asset class because it had been hard-coded with a specific set of functionality and trade messages for FX trading.

SOLUTION

After considering completely rebuilding the bank's entire single-dealer platform architecture, the bank decided to leave its FX SDP, which was working well and had significant market acceptance, and to invest in a new architecture for Fixed Income. It took a far-sighted decision that designing the new trading application to run in a Web browser would be the best solution.

The bank chose Caplin's software frameworks - Caplin Xaqua on the server side and Caplin Trader to build the Web trading application; this would give the bank a framework it could use to shorten the single-dealer platform's time to market and Caplin's professional services capability would allow the bank to initiate the project quickly while ramping up its own skills and expertise in JavaScript and HTML so that it could become entirely self-sufficient during the life of the project.

PROJECT

The project was staffed equally by both the bank's own staff and personnel from Caplin's professional services operation. Initially the bank chose to take three months to build a "proof of concept" (POC) to demonstrate that the technology was capable of delivering both the functionality and the performance the bank required.

At the end of the POC the full project was approved and development began. The system went live with a rich set of features in less than nine months. During the implementation Caplin worked closely with the bank to ensure an effective transfer of skills and knowledge; the bank's team became entirely self-reliant well before the end of the project.

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RESULT

The single-dealer platform is still in use today, two years after the completion of the project. During that time it has been enhanced by the inclusion of emerging markets, pre-trade information and a number of new, innovative trading facilities. Within the bank the project is regarded as a major success.

Some of Caplin Trader's components were subsequently licensed for inclusion in the bank's main internet portal to provide simple trading capability, while more complex trading is routed to the appropriate SDP.

ENHANCEMENTS

The bank undertook a second project to benefit from the SDP infrastructure and build an SDP for another major asset class. Because of the scope and scale of this additional application Caplin once again provided professional services consultancy for the duration of the project.

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